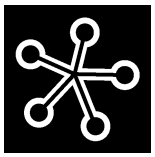

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Employers' and employees' preferences for working time reduction and working time differentiation

A study of the 36 hours working week in the Dutch banking industry

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Abstract

Working time reduction is high on the political agenda, but preferences and practices have not been studied extensively. Using large-scale survey data of 17,308 employees in Dutch banks after the introduction of the 36-hours working week by the end of 1996, ordinal and logistic regression analyses are performed to determine (1) which employees have favourable or unfavourable attitudes with regard to the working time reduction and (2) which employees are assigned reduced working hours and which are not. The results indicate that with regard to employee preferences the maximizing income thesis is mostly supported: low-income, breadwinning and part-time employees are less in favour of RWT. Theses on maximizing working hours or maximizing non-working hours are partly supported. Female employees have more favourable attitudes, although this is not related to the presence of young children. Supervisors have less favourable attitudes. The working time reduction aimed at work sharing to prevent dismissals, but the analyses indicate that the employees in redundant jobs hardly have more favourable attitudes. The thesis of minimizing working hours is hardly supported. The explanatory power of the model is low and the issue definitely needs more investigation. In explaining employer's strategies to assign reduced working hours to employees, the thesis on the long-term transformation processes from clerical bureaucracies into commercially operating units is most supported. Reduced hours are less often assigned to commercial and counter employees, and more often to the clerical occupations. In contrast to previous studies, the thesis that employers' assignment strategies aim for productivity increase is hardly supported.

Contents

I. INTRODUCTION

For more than two decades, RWT, short for reduction of working time, has been a major issue in collective bargaining and employment policies in many European countries. In 1979, when unemployment began to rise at its height, the European Trade Confederation (ETUC) called for a 10 percent reduction in working hours as a means of reducing unemployment. At the end of the 1970s and in the early 1980s, in a wide range of industries the statutory weekly working hours were reduced in countries such as Belgium, Great Britain, France, Germany, and the Netherlands (Bosch and Lehndorff, 2001). During the 1990s reduction in working time has been on the policy agenda in many EU member states (Tergeist, 1995; Taddei, 1998). In 1998, France undoubtedly took the lead in this field. For the sake of job creation the government agreed upon new legislation for a 35-hour statutory working week, known as the Law Aubry. As of January 2000, the legal working week for French workers has been shortened from 39 to 35 hours for firms employing over 20 workers (Cette, 2000; Heyer and Timbeau, 2000). From 2002 on, this will also apply to enterprises with less than 20 employees.

Working time issues are also central in European Union policies. In the Proposal for Guidelines for Member States Employment Policies 2000, the social partners were urged to agree and implement a process in order to modernise the organisation of work. Subjects to be covered may include new forms of work and working time issues, such as the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, or the development of part-time work. The issue of working time reduction is of continued importance for employment policies. Thus, it is highly relevant to learn from previous experiences. However, neither employees' preferences nor the processes of implementing reduced working hours at company levels have been extensively investigated, probably because the statutory working week is set collectively and therefore the focus will be primarily on the macro-economic level. It is particularly necessary to study employers' and employees' preferences at company levels when

collective working time reduction goes along with working time differentiation for groups of employees.

This paper aims to gain insight in (1) which employees are in favour of and which are opposed to the reduction and (2) which employees are assigned reduced working hours and which are not. Our study applies to the Dutch banking industry, where a collective bargaining agreement was reached regarding a reduced, 36-hours working week with the option of working time differentiation (Tijdens, 1998). The paper is empirically based on a large-scale questionnaire of employees, held by the author in cooperation with the largest trade union in the banking industry. This union was eager to know how employees experienced the reduced working time.

In this paper, the literature on working time reduction is discussed in section 2. Then, the methodology is outlined, and four hypotheses on employee preferences and three hypotheses on employers' assignment strategies are formulated for the analyses of the survey data. Section 4 presents the results regarding employees' attitudes, and section 5 does so for employers' strategies. In section 6, final conclusions are drawn.

II. THE DETERMINANTS OF EMPLOYER AND EMPLOYEE PREFERENCES

In this section the academic literature on working time reduction is discussed. Firstly, an overview of the level of employee support for a reduced working week is presented. Secondly, literature is reviewed with regard to the disentangling of employee support, detailing which groups are in favour of working time reduction. Thirdly, the focus switches to the employers and reviews the literature why they agree on working time reduction. Each paragraph ends with an assumption, which in next section will lead to the formulation of the hypotheses investigated in this paper.

1. EMPLOYEES' SUPPORT FOR A REDUCED WORKING WEEK

Since the 1970s the percentages of employees preferring fewer hours or more earnings have been examined to a large extent (e.g. OECD, 1998). In 1985, in the countries of the European Union many more people expressed a preference for more earnings than for fewer hours, except for Denmark and the Netherlands. Yet, in 1994 an increased preference for a reduction of hours was apparent in all EU countries, except for Greece, Italy and Spain. Again, the highest percentages in favour of fewer hours were found in Denmark and the Netherlands, respectively 66 and 52 percent. In other EU countries, the percentages preferring more earnings still outnumbered those preferring fewer hours. In the United Kingdom, for example, nearly twice as many workers prefer more earnings to fewer hours. This may explain why for the UK employees' support for unions' demands concerning a reduction in working hours has been doubted several times (Blyton, 1987; Rubin and Richardson, 1997). The OECD study also reveals that countries where collective bargaining is more developed have shown a faster decline in working hours. A correlation exists between the level of average annual working hours per person and the desire for fewer hours: countries with relatively low annual hours tend to be those in which the average preference for reduced hours is relatively strong where the preference for more earnings is relatively weak. Therefore, differences in working hours across countries may be explained by both employee preferences and collective bargaining processes.

Before turning to the analysis of employee preferences, some remarks must be made on the sensitivity to the precise wording of the question of earnings or hours preferences in attitude surveys. In the Finnish 1993 annual labour force survey, for example, five questions were posed measuring employees' preferences assumed that they could reorganise their working time (Nätti, 1995). In case of preferences for a collective reduced working week, the survey question should be very precise whether or not this includes pay compensation. Questioning the support for

working time reduction is expected to be most reliable when the issue is at the negotiating agenda. Then, however, it is critical to ask employees regarding their preferences, because the survey results can intervene in the negotiating process. In 1996, for example, questioning in the Netherlands was attacked by the country's largest manufacturing union, when Philips Electronics, unwilling to negotiate the unions' 36-hour demand, held a telephone survey among a sample of its 40,000 employees (Tijdens, 1998). The results showed that six out of ten workers preferred a 40-hour working week with pay increase over a 36-hour working week without pay increase. This percentage was much higher than could be expected from the afore mentioned percentages. Therefore, the questionnaire used in this paper included several attitude items.

2. WHICH GROUPS OF EMPLOYEES ARE IN FAVOUR OF WORKING TIME REDUCTION?

Although much is known about national levels of employee support, fewer is known about the composition of the that are in favour of or opposed to reduced working hours. In sociology and economics the choices how individuals allocate their time between paid work, housework, and leisure time are not fully understood, according to Altman (2001). Nevertheless, here we will explore what is known from academic research with regard to the allocation of time between paid work, and housework and leisure time. In the early 1980s combating unemployment was the unions' main goal in proposals for a reduced working week. Thus, support was based upon workers' solidarity with the unemployed and quite a few unions were concerned that this altruistic reason might not be a solid base for support. Yet, Bosch (1986) explains the high percentage of German union members voting for strike action by pointing out that the reduced working week was regarded as a safeguard for their own jobs: it was not simply an act of solidarity. This is in line with the argument that, in continental Europe, working time reduction is the dominant strategy to adjust the workforce to a decline in demand, be it by reduced working hours or by short-time compensation programmes (Houseman, 1988; Gray, 1998). This also may explain the fact that the share of Dutch full-time workers willing to accept even uncompensated

reduced hours grew from 23 percent in 1979 to 38 percent in 1983, when unemployment was at its height, and then dropped to 23 percent in 1987 (SCP, 1988). In the same period the percentage of workers willing to accept compensated reduced hours dropped from 32 to 22 and raised again to 34, while the remaining group did not want reduced hours at all. Thus, a higher support for working time reduction is expected from employees who fear to lose their job.

Statutory reduced working hours imply both fewer working hours and extra leisure time, and may thus be supported by employees that have interest in one of the two. For Finland Nätti (1995) shows that willingness to shorten working hours is largest among middle-aged and older workers and among non-manual workers. In the Netherlands the trade unions became aware of a growing interest for extra leisure time among their membership. This shift is explained by the feminisation of the workforce, in particular in services, because of women's domestic chores (Tijdens, 1998). Employees' support may also depend on the timing of leisure. In Germany the seven-hour day used to be the unions' final aim (Bosch, 1986, 1990). In the Netherlands, unions have largely defended a weekly reduction, while the women's movement has argued in favour of a daily reduction. With increased commuting time preferences for a daily reduction in working hours dropped, and an extra day off became popular. Thus, a higher support for working time reduction is expected from women in general and from women with children in particular for reasons of extra non-working time, and from middle-aged and older workers for reasons of shorter working hours.

Even with fully compensated working time reduction, workers will assume that there will be wage implications. A detailed study of the support for reduced hours revealed that the major argument Dutch employees used against RWT, even when this was fully compensated, concerned income (Dorenbos et al, 1985). Yet, according to this study no linear relationship exists between individual income and reduction preferences. The willingness to accept uncompensated reduced working hours is smallest among full-time breadwinners and highest

among full-time dual-earners. To explore the income/leisure trade off, in our study a lower support of working time reduction is expected from low-income employees and from breadwinners.

Finally, the support for a statutory working time reduction may be negatively influenced by a group of employees that do not want their working hours to be reduced, for example part-time workers. Nätti (1995) shows that Finnish employees working less than 30 hours prefer to a large extent longer working time over shorter working time. Less support may be expected from workers busy with their career who want to show their superiors that they are fully committed to their job, or supervisory workers, assuming that their job can not be done in fewer hours. Moreover, workers whose workload will not be reduced, for example because they are paid a lump-sum salary rather than a wage rate per hour, can be assumed to be not supportive for working time reduction. In the Netherlands, higher staff unions have been less in favour of working time reduction and even demanded a 42-hour working week for higher staff as a means of increasing this groups' wages (Tijdens, 1998). Thus, for reasons of not willing to reduce working hours, a lower support for working time reduction is expected from employees in high commitment jobs or in supervisory jobs as well as from part-time workers.

3. WORKING TIME REDUCTION AS AN DOWNWARD ADJUSTMENT STRATEGY

The literature rather explains why employers are against on working time reduction than why they agree. One strand of academic research focuses on the employment effects of working time reduction. Booth and Schiantarelli (1988) point to employers' resistance by studying the consequences of labour cost increases and therefore seriously doubting the employment effects of reduced hours. Indeed, employers in many EU member states have opposed unions' demands for a shorter working week, quite likely not because of the reduced week as such, but because of the additional full-wage compensation demand and the associated increase in labour costs. In the early 1980s, English and German employers were very resistant (Blyton, 1987; Bosch, 1986).

Recently, employers in France were furious about the government's proposal for a 35-hour working week. In a study of German employees, Hunt (1996) found confirmative evidence that a reduction in standard hours was accompanied by a relative rise in hourly wages, enough to keep monthly earnings the same as in the unaffected industries. Yet, recently many employers in the Netherlands have agreed on a reduced working week, even without the pressure of strikes or other union actions.

A second strand of literature investigates progress and trade-offs in collective bargaining with regard to working time. Houseman (1988) explains why employers agree on a reduced working week. Reduced working hours, whether they are in the form of a collectively reduced working week or a short-time compensation programme, are the short-run adjustment practices to workforce reduction on the continent during economic recession, because of the high costs of breaking through job protection regulations. Based on employment figures, Houseman shows that the French and German steel industry appears almost unresponsive to short-run changes in production with regard to employment levels. The industries have achieved massive reductions in labour by extensive use of various forms of shorter working hours, all aiming to reduce unproductive time. This is in contrast to US practices, where layoff is the principal method of reducing the workforce. For the British retail trade, Rubin and Richardson (1997) indicate that unproductive time has fallen as a result of reduced hours. For the Netherlands, Visser (1989) shows that over half the private firms reduced operating hours in the early 1980s and that this working time reduction was mainly used to cut unproductive hours, mostly by interrupting company operations between Christmas and New Year. According to Bosch and Lehndorff (2001) the working time reduction went hand in hand with improvements in relative international competitiveness because of the additional productivity gains by the cuts in working hours. Findings from a long-term, cross-country analysis appear consistent with the view that, given continuing growth in average real earnings, hours reductions are constrained by long-term

trends in hourly productivity growth (OECD, 1998). In the short-term, industrial relations systems may allow a smooth allocation of emerging productivity gains into rises in real earnings and in reductions in hours of work. Both Rubin and Richardson (1997) and OECD (1998) suggest that increased productivity is as much a cause as a consequence of reduced hours. In our study, we assume that in case of downward adjustment strategies employers will assign reduced working hours as a means for cutting unproductive hours and avoiding idle hours.

A third strand of literature analyses the so-called reduction/reorganisation of working time (ILO, 1995). At company level, employers may agree upon a reduced working week in exchange for a more flexible use of employees' working time. In Germany, the Netherlands, the Scandinavian and the Mediterranean countries, this has been the major quid pro quo required and obtained by employers (Treu 1989; Hinrichs, Roche and Sirianni, 1991; Taddei, 1998; Bosch and Lehndorff, 2001). Several attempts have been made to explain this demand for flexible working time patterns. Catinat, Donni and Taddei (1990) use two theoretical outlines. First, there is the strategy to win greater markets by increasing production capacity. For example, German manufacturers in capital-intensive and expanding companies were interested in extending weekly operating hours and reintroducing Saturday and Sunday work (Bosch, 1986, 1990). Winning greater markets also seems to be a dominant strategy in the Dutch service sector, where the call for flexible working hours is likely to be a result of shifts in customers' time-specific demands for services outside the nine-to-five work schedule (Tijdens, 1998). Second, there is the strategy to lower the global unit costs of production by optimising plant capacity. This strategy may very well be a response to threats to optimal manpower planning, such as just-in-time production. The Italian trade union movement even saw flexible working time as a condition for improving the industry's competitiveness, while the German unions saw this only as a quid pro quo for reduced working hours (Bosch, 1990). In large organisations, the reorganisation of working time requires organisational diagnosis to effect optimal staff scheduling, i.e. to indicate overstaffed

departments, to reduce overtime, to gain insight in customers' time-specific demands, et cetera. In case of labour market shortages, however, reorganisation of working time may face constraints, because work cannot be redistributed (Bosch and Lehndorff, 2001). Thus, when assigning RWT to employees, employers probably will use this assignment for the reorganisation of working time, either to solve staffing problems because of short supply or non-balanced staffing, or to aim for optimal staffing.

III. ASSUMPTIONS AND DATA

1. HYPOTHESES

Firstly, this study aims to investigate the determinants of positive and negative attitudes of employees towards RWT. The literature review in the previous section suggests that we should differentiate between the following assumptions**:**

(1) Positive attitudes are expected for employees that aim at maximizing non-working time as they are facing time constraints due to domestic chores; thus among females, and employees with young children at home.

(2) Positive attitudes are expected for employees that aim at minimizing working hours as they judge their job to be a burden; thus among elderly employees, employees that are redundant, and employees with overtime.

(3) Negative attitudes are expected for employees that aim at maximizing income, which is assumed to be particularly present among low-income, breadwinning and part-time employees.

(4) Negative attitudes are expected for employees that aim at maximizing working hours; thus among employees perceiving career opportunities, employees having an interesting job and supervisory employees.

The collective bargaining agreement in the Dutch banking industry included the option of working time differentiation, as not all employees were assigned RWT. Some

employees were asked not to reduce but to continue their working hours. Secondly, this study aims to investigate employers' practices in the assignment of reduced working hours. Following the literature review, we made the following hypotheses:

(5) The assignment of RWT to employees is based on productivity increasing strategies, and therefore employees in overstaffed departments, employees that do not have overtime and employees in jobs that will become redundant will be assigned RWT significantly more often.

(6) The assignment of RWT is based on labour market strategies, and therefore assignment depends upon abundant or short supply of occupations, measured as the employee's self-perceived chance of finding a job outside the company.

(7) The assignment is based on the company's long-term strategic processes, such as the transformation from large administrative bureaucracies into commercially operating organizations, and therefore commercial employees will be assigned RWT less often and clerical employees will be assigned RWT more often.

2. THE DATA ON RWT IN THE DUTCH BANKING INDUSTRY

The Netherlands has approximately eighty banks. Three large banks dominate the industry, employing 20,000 - 35,000 persons each. Seven medium-sized banks employ 1,000 - 7,000 persons each. About seventy banks, mostly branches from foreign banks, employ on average ten to fifty persons. The social partners in the banking industry reached a collective bargaining agreement on the introduction of the 36-hour working week. The major quid pro quo was the deletion of clauses limiting working on evenings and Saturdays, decreased bonuses for working unsocial hours and a wage increase that only equalled inflation rate. According to the agreement, employers could exclude employees from the working time reduction, when their jobs were judged to be irreplaceable for the company, thus introducing working time differentiation.

The data used to test these hypotheses come from the large-scale questionnaire, designed by the author in co-operation with the largest trade union for the banking industry to investigate the employee's experiences with the reduced working week, including the issue which employees were assigned RWT. The questionnaire contained about sixty questions, among which many items to measure employees' attitudes towards RWT.

A pilot questionnaire was held in one of the medium-sized banks, because this one was the first to introduce RWT. Here, the employer took the responsibility for distribution. Shortly after the RWT was introduced in all banks, the union arranged the distribution of the questionnaires by approaching the works councils of many banks. In one large bank, referred to as R-bank, a co-operation of over 500 independent local banks of which about 300 have a works council, more than 50 works councils distributed the questionnaire to all employees at their local bank. Here, 2,314 questionnaires were returned, which is a response rate of 33 percent. In the second large bank, here referred to as A-bank, the central works council distributed the questionnaire among all employees and 14,297 were returned (45%). The third large bank integrated parts of our questionnaire into one of their own, of which 11,041 questionnaires were returned (54%). In three medium-sized banks the works councils distributed the questionnaires, and response rates varied from 28 to 57 percent. Unfortunately, in another medium-sized bank the questionnaire was distributed only partially. In the two remaining medium-sized banks the questionnaire was not distributed at all. In three of the seventy small banks the questionnaire was distributed and response rates varied from 21 to 64 percent. Finally, the union sent out questionnaires to its members employed in banks where the questionnaire had not been distributed. Response rates are not known, but these respondents count for less than 1 percent of the total sample.

Altogether, more than 66,000 questionnaires were distributed and almost 30,000 were returned, covering 26 percent of the total workforce in the banking industry. Yet, in the statistical analyses only 17,308 questionnaires will be included. The respondents of both the pilot study and the large bank that integrated parts of our questionnaire into one of their own are excluded, because not all questions relevant to the analyses were asked. Employees appointed after the introduction of the 36-hour working week are also excluded. Thus, respondents from two of the three large banks, A-bank and R-bank, and from the small and medium-sized banks, referred to as SME-Banks, are included in the analyses.

Some tests were carried out to investigate sampling selection biases. One in four employees are unionised. One in two union members is organised in the FNV Service Union, according to the unions' reports. FNV-union density in the sample was only 1 to 2 percent points higher than in the population. Furthermore, because the reduction did not apply to all employees, the under- or over-representation of employees with reduced working hours was tested, according to the banks' reports. It turned out that the questionnaire had an overrepresentation of 1 to 3 percent points of employees without reduced working hours. These deviations are too small to consider weighting for these variables.

3. THE DEPENDENT AND INDEPENDENT VARIABLES

For testing hypotheses 1 to 4, the dependent variables are three attitude-items measuring satisfaction with working time reduction: 'from the beginning I preferred reduced hours'; 'I am satisfied with my current working hours'; 'I rather go back to the situation before the reduction'. To test hypotheses 5 to 7, the dependent dichotomous variable is the assignment of RWT to the employee. Table 1 presents the means of the dependent variables. The choice of the predicting variables derives from the seven hypotheses. For each hypothesis, table 1 presents the means of

the independent variables.

For all variables, the means differ significantly across banks; therefore we will perform the analyses separately for A-bank, R-bank and SME-banks. SME-Banks are weighted for the bank's relative size of employment. The table shows that compared to R-bank and SME-banks attitudes towards RWT are less positive at A-bank. Employees at A-bank are assigned less often RWT. R-bank's staff is more female, younger, more often dual earner, and receiving a lower gross monthly income compared to both SME-Banks and A-bank. The latter has more commercial staff and less counter employees. Here, on average both career opportunities and job redundancy chances are perceived higher compared to R-bank and SME-Banks. For most variables, standard deviations are higher at A-bank, indicating that opinions here are more diversified than at R-bank and at SME-Banks.

Table 1 **Percentages of the variables used in the models (N=17,308).**

	A-bank	R-bank	SME-banks
dependent variables H 1-4			
prefered RWT	52%	55%	60%
not prefered RWT	24%	18%	19%
satisfied with working hours	50%	65%	65%
not satisfied with working hours	17%	12%	13%
want to go back	23%	17%	17%
do not want to go back	48%	59%	63%
H1 maximizing non-working hours			
female	46%	55%	44%
youngest child <=12 yrs	33%	26%	29%
H2 minimizing working hours			
age >= 50 yrs	11%	8%	13%
job redundant in future	21%	11%	11%
overtime	37%	40%	36%
H3 maximizing income			
monthly gross income <1087 EURO	15%	18%	9%
breadwinner	42%	37%	43%
working time <= 24 hrs	15%	16%	11%
H4 maximizing working hours			
career opportunities	33%	30%	22%
job interesting	40%	54%	45%
supervisory position	18%	18%	22%
Intervening variables			
unionised	30%	31%	37%
assigned RWT	69%	89%	90%
dependent variable H 5-7			
assigned RWT	69%	89%	90%
H5 productivity increasing strategies			
staffing sufficient	22%	23%	23%
staffing insufficient	25%	20%	26%
job redundant	21%	11%	11%
job not redundant	35%	50%	43%
overtime	37%	40%	36%
H6 labour market strategies			
good chance finding another job	41%	46%	39%
H7 transformation process			
commercial employee	25%	21%	16%
counter employee	23%	35%	19%
clerical employee	27%	27%	34%
servicing employee	3%	5%	5%
staff	20%	10%	25%

Note SME-banks are weighted for relative size across these banks

IV. EMPLOYEES' ATTITUDES

To analyse the determinants of the three attitude-items in the hypotheses 1 to 4, we perform ordinal regression analyses for the three items separately rather than adding the responses up to a summated scale and exploring linear regression models, because the first item measures the attitude in retrospective whereas the other two do not. For reasons of reducing the number of cells with zero frequencies, the attitudes are reduced from a five-point scale to a three-point scale, in which 'very favourable' and 'favourable' are taken together; so are 'very unfavourable' and 'unfavourable', leaving neutral in the middle. The analyses are controlled for three intervening variables, notably the assignment of working time reduction, unionisation, and, as already said, the bank. Departing from the hypotheses in section 3, the unimportant predictors in the ordinal regression models are removed and the models are re-estimated. Table 2 presents the results.

Table 2 **Parameter estimates from an ordinal regression model for three reduced working hours attitudes (1= unfavourable … 3= favourable) for employees of three banks. Standard error in parentheses. – = removed from the model**

	Attitude 1 initially I preferred RWT for myself			Attitude 2 I am satisfied now with my working hours			Attitude 3 I rather not go back to the situation before RWT		
	Estimate	Std. Error	Sig.	Estimate	Std. Error	Sig.	Estimate	Std. Error	Sig.
H1 maximizing non-working hours									
female	0.525	(0.037)	***	0.190	(0.034)	***	0.444	(0.035)	***
child <=12 yrs	--	--		--	--		--	--	
H2 minimizing working hours									
age >=50 yrs	--	--		--	--		--	--	
job redundant	--	--		0.101	(0.047)	*	--	--	
overtime	--	--		--	--		--	--	
H3 maximizing income									
low income category	-0.462	(0.056)	***	--	--		-0.478	(0.048)	***
breadwinner	-0.145	(0.034)	***	--	--		--	--	
part-time <=24 hrs	-0.346	(0.053)	***	--	--		--	--	
H4 maximizing working hours									
career opportunities	--	--		--	--		--	--	
interesting job	--	--		0.109	(0.033)	***	--	--	
supervisory position	-0.298	(0.041)	***	-0.373	(0.041)	***	-0.453	(0.041)	***
Intervening variables									
working time reduced	0.569	(0.044)	***	1.443	(0.041)	***	0.837	(0.041)	***
unionised	0.433	(0.035)	***	0.128	(0.035)	***	0.282	(0.034)	***
A-bank	-0.062	(0.037)	ns	-0.218	(0.038)	***	-0.238	(0.036)	***
SME-banks	0.106	(0.043)	*	0.018	(0.044)	ns	0.110	(0.044)	*
Chi2 (df) sign.	913.92	(9)	***	1979.86	(8)	***	1267.89	(7)	***
Pseudo R Nagelkerke	.067			.137			.089		
N	15297			16097			15915		

*Note significance levels *p<.05; **p<.01; ***p<.001.*

The results in table 2 show that the hypothesis with regard to maximising non-working hours is partly supported. As expected, compared to male employees female employees are more likely to have a favourable attitude. This applies to the three attitude items**.** However, it is not clear which

factors are underlying women's attitudes, and further research is necessary. Contrary to our expectations, a favourable attitude does not depend on the presence of young children at home. The minimising working hours hypothesis is hardly supported. Neither attitude-1 nor attitude-3 depend on any of the factors hypothesised. Satisfaction with the current working hours (attitude 2) comes as expected from employees with redundant jobs, but this attitude is not influenced by the employee's age or overtime. Thus, where the collective bargaining agreement aimed at work sharing, that is to protect employees in redundant jobs, these employees themselves have not perceived RWT as a safeguard for their own jobs, although currently they appear to be satisfied with their working hours. Employees in redundant jobs probably are more likely to experience slack hours and this may explain their satisfaction, although more study is needed before coming to conclusions.

The maximising income hypothesis is to a far larger extent supported compared to the previous hypotheses. Low-income categories, breadwinners and part-timers working 24 hours or less wanted initially less often that their hours be reduced (attitude 1). Employees in the low-income category more often prefer to go back to the previous situation (attitude 3). Yet, satisfaction with the current working hours (attitude 2) is not affected by any of the three predictors hypothesised. The maximising working hours hypothesis is partly supported. As expected, supervisory employees are less favourable to all three attitudes. Contrary to our expectations, employees holding an interesting job are more instead of less likely to be satisfied with the current working hours (attitude 2), whereas attitudes 1 and 3 are not affected. Career opportunities do not affect any of the attitudes.

The three intervening variables have a large impact on the three attitudes. Compared to employees that have not been assigned RWT, employees with RWT are much more favourable to the working time reduction. This applies to the three attitudes, but particularly the coefficient of the satisfaction with the current working hours (attitude 2) is high. Union members are

favourable to all three attitudes, and particularly the coefficient for attitude 1 is relatively high compared to the coefficient for attitude 2. Thus, union members initially were very eager to have their working hours reduced, whereas the satisfaction with the current working hours is relatively lower, though still significantly higher compared to non-unionised employees. Finally, we examined differences between the two large banks and the SME-banks. Up to 30% of the employees of the A-bank was not assigned RWT. Even when controlled for the assignment of RWT, the employees in A-bank are less favourable to working time reduction. This applies to all three attitudes. Employees of the SME-banks are favourable to working time reduction with regard to all three attitudes. This implies that when controlling for individual attitudes, at company level significant differences exist between the banks.

V. EMPLOYERS' ASSIGNMENT STRATEGIES

Nearly 18 percent of the banks' employees were not assigned a reduced working week, of which 11 percent full-time employees and 6 percent part-time employees. In section 3, three factors were hypothesised influencing management's decisions upon assigning RWT to employees, notably the productivity thesis, the labour market thesis, and the strategic transformation thesis. To investigate these hypotheses, logistic regression analyses were carried out to predict the assignment of RWT. The regressions are performed for A-bank, R-bank and SME-banks separately, because assignment is assumed to be a process where departments not solely decide upon assignment, but where the company's policies have a great impact too. The results are presented in table 3. (see page 30)

The productivity thesis is hardly supported. In none of the three banks, staffing levels in the departments are critical to the assignment strategy. Employees with overtime are not assigned RWT less often. On the contrary, in SME-banks these employees are more likely to be assigned

RWT. Yet, expected future job redundancy is part of the assignment strategy in all three banks, though in different ways. During the bargaining negotiations, A-bank proposed a 32-hour working week for those employees whose jobs would become redundant. Indeed, at this bank the percentage of employees expecting future job losses is twice as large as at R-bank (21 percent versus 11 percent). Yet, surprisingly, the employees who expect to loose their jobs are assigned RWT at A-bank significantly less often compared to employees who are neutral in this respect! The opposite holds true for R-bank. Here, redundant employees are indeed assigned RWT more often, whereas SME-banks show insignificant results. As expected, A-bank has assigned reduced working hours significantly less often to those employees who expect their job not to become redundant, compared to employees with neutral expectations. The opposite holds for SME-banks and findings for R-bank are insignificant. In conclusion, SME-banks act contrary to the productivity thesis, whereas A-bank and R-bank partly act in accordance to the thesis, although the former assigns no RWT to employees who do not expect job redundancy and the latter assigns RWT to employees who expect their job to become redundant. Overtime and departmental staffing are not relevant predictors, although they were assumed to be essential to the productivity-increasing strategy.

Examining the labour market thesis, differences in assignment strategies continue to exist. We operationalized short-supply jobs when the employee indicates that he/she can easily find a job with another employer. Compared to 46 percent at R-bank, at A-bank only 41 percent of the employees judge their chances to be good. As expected, these A-bank employees have been assigned RWT significantly less often. However, the opposite holds for R-bank and SME-banks. It can hardly be assumed that within the banking industry labour market shortages are not equal between all banks. We probably died not operationalize the predictor quite well.

Examining the long-term transformation processes thesis, table 3 shows that compared to other occupational groups A-bank and SME-banks have assigned commercial employees RWT

significantly less often, whereas R-bank has done the opposite. This is even more surprising considering the fact that compared to SME-banks R-bank's staff includes a lower percentage of commercial employees (21 percent compared to 16 percent at SME-banks and 25 percent at A-bank). As expected, clerical employees at A-bank are assigned RWT significantly more often; for R-bank and SME-banks these occupational groups are also assigned RWT more often, but this finding is not significant. The percentages of clerical employees are equal for R-bank and A-bank (27 percent). The percentage of counter employees is substantially higher at R-bank than at A-bank (35 percent versus 23 percent). Therefore, it may be assumed that R-bank's competitive strategy probably includes commercial activities performed by counter employees. Considering wage costs, this strategy obviously is cheaper, because compared to counter employees the commercial employees' gross monthly wages are about 50 percent higher. Indeed, at R-bank counter employees have been assigned RWT less often, though this finding is only significant at a 10%-level. At SME-banks, counter employees have also been assigned RWT less often, and this finding is significant. Moreover, at R-bank and at SME-banks servicing employees have been assigned RWT less often compared to other occupational groups. R-bank aims at a long-term transformation from large administrative bureaucracies into commercially operating organisations by strengthening the occupational group of counter employees, supported by servicing staff, whereas A-bank does so by strengthening the occupational group of commercial employees. Probably, SME-banks seem to behave in between.

The results of this part of the analyses are surprising. The productivity thesis was hardly supported. The only significant predictor is future job redundancy, but only partly in the expected direction. Neither departmental staffing nor overtime are relevant factors. The labour market thesis was only supported for A-bank employees, R-bank and SME-banks behaving contrary to the thesis. The thesis on transformation processes was most supported, A-bank fully and SME-banks partially behaving accordingly, whereas R-bank behaving slightly differently. R-

bank's competitive strategy probably includes commercial activities performed by counter employees, which may be part of a strategy to reduce wage costs. In conclusion, a strategy of working time differentiation is more likely to strengthen a bank's competitiveness than increasing productivity. This conclusion is in line with results from a previous study based on document analyses, where Tijdens (1998) concluded that working time differentiation was mainly meant to solve unbalanced staffing.

VI. CONCLUSIONS

Two issues are central in this paper. Which employees are in favour of working time reduction and which employees are assigned reduced working hours if the employer is able to decide to assign working time reduction differently across employees, referred to as working time differentiation. In academic research, RWT with regard to both employees' preferences and employers' assignment strategies has not been studied to a large extent, probably because RWT is collectively agreed and therefore individual differences are not assumed. Using large-scale survey data from 17,308 employees in the Dutch banking industry, ordinal and logistic regression analyses were performed to estimate workers' preferences towards reduced hours and to predict who was assigned reduced hours. Approximately six out of ten employees are satisfied with their new working hours. Nearly two out of ten employees is not assigned RWT. For reasons of work sharing or for reasons of increased leisure time, employees may support a collective RWT. For reasons of increasing productivity or for reasons of downward adjustment, employers may do so. The analyses of employee preferences reveal that most support is found for the maximising income thesis: low-income, breadwinning and part-time employees are less in favour of RWT. The theses of maximising working hours and maximising non-working hours are partly supported. Female employees are more in favour of RWT, although this is not related to the presence of young children. Employees in supervisory positions are less in favour of RWT. The thesis of minimising working hours is hardly supported. The collective agreement aimed at work sharing to prevent dismissals. However, employees expecting their job to become redundant initially were not more willing to reduce working hours than other employees, although after the implementation they are more satisfied. Furthermore, the attitudes are affected by unionisation, union members having more favourable attitudes, by assignment of RWT, non-RWT employees having less favourable attitudes, and by bank, A-bank employees having less favourable and

more diverse attitudes. Although this study contributes to the understanding of employees' preferences in case of RWT, the explanatory power of the model is still low and the issue needs more investigation.

In explaining employer's strategies to assign reduced working hours to employees, the hypothesis on the long-term transformation processes is most supported. In case of working time differentiation, RWT is assigned less often to occupational categories that are critical to the companies' transformation processes. For the banking industry this applies to the transformation from clerical bureaucracies into commercially operating units as a consequence of ongoing computerization and increased competition. In contrast to previous studies, particularly by economists, little support is found for the assumption that employers' assignment strategies aim for productivity increase; the findings are diverse across banks. Thirdly, labour market strategies to a minor extent play a role in the assignment strategies. This leads to the conclusion that the Dutch banks, in using working time differentiation aim at strengthening competitiveness rather than increasing productivity. Quite likely, the assignment of differentiated working hours is based on a long-term strategy rather than on a short-term strategy. Again, we must conclude that although this study has improved our understanding of employer's assignment strategies, this phenomenon is definitely not fully understood.

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Table 3 Parameter estimates from a logistic regression model used to explain the likelihood whether an employee was assigned reduced working hours (yes=1, no=0) for three banks. T-value in parentheses.

	A-bank				R-bank				SME-bank (weighted)			
	B	T-value	Sig.	Exp(B)	B	T-value	Sig.	Exp(B)	B	T-value	Sig.	Exp(B)
H5 productivity thesis												
Departmental staffing (most times suff. = ref.)												
sufficient	0.07	(0.98)		1.07	0.230	(1.03)		1.258	-0.177	(-1.02)		0.838
insufficient	-0.01	(-0.22)		0.99	0.122	(0.53)		1.129	-0.048	(-0.29)		0.953
Overtime	-0.06	(-1.13)		0.94	-0.244	(-1.42)		0.783	0.620	(3.94)		1.859
Job redundant in future (neutral=ref.)												
quite likely yes	-0.17	(-2.13)	*	0.85	0.654	(2.09)	*	1.923	-0.081	(-0.38)		0.923
quite likely not	-0.40	(-6.58)	***	0.67	0.343	(1.87)		1.410	0.367	(2.45)	*	1.444
H6 labour market thesis												
Good chance finding another job (0.1)	-0.32	(-5.63)	***	0.73	0.511	(2.82)	**	1.667	0.324	(2.28)	*	1.383
H7 strategic transformation thesis												
Job title (staff=ref)												
commercial	-2.56	(-35.01)	***	0.08	0.812	(2.04)	*	2.252	-1.243	(-5.91)	***	0.288
counter	0.20	(2.45)	*	1.22	-0.511	(-1.67)		0.600	-0.684	(-3.22)	***	0.504
clerical	0.70	(7.86)	***	2.01	0.193	(0.58)		1.213	0.215	(0.97)		1.240
servicing	1.00	(4.29)	***	2.71	-0.891	(-2.22)	*	0.410	-0.748	(-2.54)	*	0.473
Constant	2.04	(25.77)	***	7.67	2.016	(5.93)	***	7.512	2.461	(11.77)	***	11.71
Chi2 (df) sign.	3521.56	(10)	***		58.41	(10)	***		89.73	(10)	***	
N	11237				1933				1142			

*Note significance levels *p<.05; **p<.01; ***p<.001.*